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THE CURRENCY AND THE WAR.

S P E E C H

OF

HON. F. A. PIKE, OF MAINE.

In the House of Representatives, February 5, 1862.

The House, being in Committee of the Whole on the state of the Union, on the bill to authorize the issue of United States notes.

Mr. PIKE said :

Mr. CHAIRMAN : Sir Robert Peel, on introducing his bank bill in 1844, said, that in the opinion of her Majesty's Government "inquiry had been exhausted."

Upon no subject are the discussions fuller, or opinions expressed in a more authoritative manner, than that of the currency. Embracing the every-day business of an important and intelligent class of the community, and dealing with the values of every man's property, men's wits have been sharpened by their necessities, and they have expressed themselves fully and cogently, if not learnedly and wisely.

It is true that even the wisest have not always reached correct conclusions. The provisions of Sir Robert's bill, supposed by her Majesty's Government to be the embodiment of financial wisdom, were found not to work favorably in a mercantile pinch, and the aid of the Ministry was invoked by the bank managers, on the first stress in business affairs, to protect the institution and the mercantile community from the effects of the provisions of the charter in relation to the specie reserve.

Following in the footsteps of all legislators upon the subject, we are in some sort speculators in public affairs, and our measures, "rough hew them how we will," must be submitted to the practical operation of every-day business life, before we can say of them that they are entirely satisfactory.

I do not know that I can add anything to the argument in support of the measure under consideration, but I venture to submit to the committee the process of reasoning through which I came to the conclusion to give it a hearty support.

In one thing we are all agreed. We agree that the necessity of action is upon us. It is said to have been delayed too long already, but I think not. It is better to have this and the cognate plan of taxation well matured and made as perfect as we know how before launching them. If in the end we arrive at a reasonably correct set of measures to alleviate the present distress, I shall be satisfied. Rectifying every manifest injustice that shall be brought to our notice, it cannot be that the process of setting apart a large portion of the property of the country for public uses, by means of taxation, shall not work with special hardship upon different localities. If it is impossible to assess an ordinary tax upon a small city without causing complaint of unfairness in the levy, how much less the chance of compassing this immense job without giving many just reasons to find fault with our action ! Time spent in guarding against errors is well spent for those who shall pay the assessments.

The problem before the committee is neither new nor complex. It has occurred times without number to individuals, been pressed upon their attention by necessities that would not be postponed, and each man has been obliged to solve it in his own way, and at his own peril ; and Governments all the world over, in all ages, have been discussing the same thing, constantly seeking the means by which they could eke out their slender revenues, and make good awkward deficits in their budgets.

It is certainly favorable for us that the people of the whole country have come to demand action in this matter of taxation. They expect and desire it. They are willing to set apart a generous portion of their earnings and their accumulations for the public

use. They have contributed their sons in ample numbers to swell the ranks of our grand army, and now they will send after them their money and valuables for their support. We certainly commence our labors under favorable auspices.

We find ourselves with the control of abundance of property. The census presents an account of it in billions. There are some eleven or twelve thousand millions in the loyal States to draw from; and starting with this as a basis, even throwing out of the present account the footings of the rebellious States, one would think we could float a debt against this enormous mass of valuable property for an amount sufficient for the necessities of this Government during the war.

It is quite necessary to create a debt. We have no means of discharging obligations already accrued, and those which are accumulating every day, but to borrow. I know the property of the country is nominally in our power; but practically, the only means of reaching and controlling it is by taxation. This takes time, and while we are waiting to receive returns from the tax-gatherer, we must borrow.

There are two ways of borrowing proposed. One conforms to the mercantile idea; it claims that the Government, like any other debtor in distress, shall get money at the market rates, issue its bonds, and sell them for what they will bring. If those who have money will pay par for the bonds, well and good; if not par, then ninety, or seventy, or fifty per cent. The mercantile idea is inexorable—sell your paper for what it will bring, and pay or fail. We are adjured to adopt this standard as the only one of high and honorable tone. The rights of the creditor should be held sacred, and in no event be postponed or jeopardized, and it is insisted that whatever fails to come up to this high point should be discarded by those having control of the Government finances. This is certainly easy to be understood. It is plain and straightforward. We comprehend the rule and the reason for it.

But we know, too, that those who urge it do not always act upon it. We know that the dealers in money who manage the banking institutions never act upon the rule when their interests are not subserved by it. In ordinary times, when merely ordinary sacrifices are necessary to sustain credit and effect prompt payment, the rule is inviolable; but when there is a pressure the rule relents, and the whole mercantile interest relaxes and approves a temporary abnegation of the maxim, "pay or fail." They do neither the one nor the other. The banks go into temporary bankruptcy, under the easy name of suspension. They are in such condition now, and so far as I know, with the approbation of the mercantile world. The New York banks, with specie in their vaults equal to about one-third their capital, and three times the amount of their circulation, refused to pay out any more specie because they deemed it for the interests of themselves and their customers that they should not do so. Why they did not continue to pay at least until they had run their specie reserve down to its ordinary limits half a dozen years since, does not appear. It seems to be sufficient reason to be given that they did not deem it wise to do so.

But it is a pungent commentary upon the stringent mercantile rule that it is sought to impose upon the action of the Government. It is like the abusive comments of the London press upon the suspension of specie payments by our Treasury, which they insist upon considering as a collapse of the financial system of the Government, when they know very well that their own Government was successfully run for a quarter of a century, in the most important period of its history, upon paper alone, under a chronic suspension of specie payments.

Of course the objection to this plan is the expense; acting as trustees of the property of the country, it is our duty to protect it, as far as possible, from waste. Large Government loans created now, must be placed at enormous sacrifice. Intelligent financiers reckon upon the sale of Government bonds at eighty, if issued in large amounts. We know that even the comparatively small amount sold during the second war with Great Britain—only eighty-sixty millions—was purchased by Girard and others at eighty and less, and paid for in their bills, which were at a discount for specie of some fifteen or twenty per cent. Of course those who have money to invest would necessarily accumulate large sums on an advance of funds upon the secession of hostilities, and in the end the labor of the country must pay the bills; for change and shift it as you will, there is where the burden will eventually fall. The banker and merchant are the middle men, speculators more or less adventurous in the productions of others, and the changes thus far made in the tariff furnish additional evidence that this is so. We raise twenty or thirty millions of extra revenue by means of our taxation of tea and coffee, and molasses and sugar—a tax which falls like a *per capita* tax upon the country, the rich and poor paying in proportion to the extent of their families, rather than the extent of their properties; and unfortunately for the fairness of the tax,

the poor man's family generally increases in inverse ratio to his other worldly possessions.

Considering, then, who is to receive the benefit of this discount, and who is to pay, it is our part assuredly to see to it that it is as small as possible.

Nor in refusing to adopt such a plan of raising a revenue do we depart from the custom of nations. No nation in time of stress of revenue has adhered strictly to the mercantile rule. England, in effect, went through her great wars upon paper not issued by the Government but by an institution under Government control, legalizing the suspension of specie payment, and authorizing an enormous issue of irredeemable bank notes, which were in effect, although not in terms, a legal tender. The Russian Government called in the aid of the paper ruble, and watched its gradual decline in value, until finally extinguished at something less than three for one. The French Government resorted to assignats and mandats, and threw them out in such immense volumes that they sunk by their own weight. Our own Government in its earlier days found paper indispensable, and it has been seriously questioned whether we would have got through the Revolutionary war without its aid. And these are the four great nations of modern times. The finances of other nations have a similar history.

The opposite extreme of the mercantile idea is the issue of irredeemable paper in unlimited quantities. This has been done in former times under a mistaken impression of the power of Government. The most eminent examples, and those which are held up ~~in~~ ^{as} ~~terrorem~~ most frequently in the discussion of the present action of Government, are found in the revolutionary paper of the Continental Congress, and at a later time of the French Assembly, in 1792-94. Both assemblies were newly possessed of power, and were disposed to set no limits to their authority. They resolved and voted as if all human action was under the control of legislative enactment. And yet the history of both transactions shows how little danger there is in the issue authorized by this bill.

The issue of Continental notes began in June, 1775, and up to April, 1777, \$20,000,000 had been thrown out, besides a large amount of similar currency by the States, and yet at that time no marked signs of depreciation had made their appearance. Our population at that time was but about two and a half millions. Of the valuation then or since, until 1850, there is no record, and few estimates. But basing an estimate upon the proportionate increase of population and wealth since, the valuation at that time could hardly have exceeded five or six hundred millions. And this small population, poor, and engaged in a war with a foreign nation of the first magnitude, carried notes to this amount without sensible decline.

It was only when the issue of paper bore an enormous disproportion to the means of payment that it depreciated. It could not be expected that a revolutionary Government could issue two hundred millions of bills without basis other than the voluntary contributions of States, over which the Government had no control, and give them currency. The only wonder is that there was so much vitality in the paper, and it maintained its position so long as it did. It is reckoned that the cost of the Revolutionary war was about a hundred and seventy millions of dollars, of which two-thirds were raised by the Continental Congress, and the present Government finally assumed about forty-four millions of it. This enormous sum, equal to perhaps twelve or fifteen times that sum for this Government at this time, was raised in several different ways. The most fruitful source of revenue was the notes, and as they depreciated, and went out of existence gradually, and the increasing discount was spread over so many interests and localities, it was perhaps as equitable as the ordinary methods of taxation. Besides this, there was taxation of various kinds in the States, borrowing in Europe, and running in debt by taking property, and giving certificates of indebtedness. There were other schemes, such as lotteries and taking property in kind, but they yielded small sums. The great resource was paper, and the history of the paper currency of that era should inspire us with confidence in this measure.

The French currency expanded with great rapidity. French vivacity hurried their revolutionary energies headlong. The first loan amounted to about eighty million dollars, and was followed in a very short time by one of double that amount; and in two years, they had issued over five hundred million dollars of irredeemable currency, based on nothing but confiscated estates. This issue, considering the character of the Government making it, and the amount of population and property that is represented, would hardly be equaled by the issue of eight or ten times the sum by that Government now. One can hardly wonder that the circulation thus thrown by Government into the channels of business induced an enormous rise of property of all kinds; and that even the robust washerwomen of Paris complained that soap had more than doubt-

led in value. But the experiment was followed, and bolstered up, as in the case with our revolutionary paper, by laws fixing a maximum value on property, until the issue reached the enormous sum of 19,000,000,000 francs; and the same thing was gone over a second time by a kind of paper called mandats, issued for the purpose of redeeming the other at a discount; but which, in its turn, went the same road of excess and depreciation, thousands of sheets being issued each morning wet from the press, for the purpose of serving the wants of the day. But it was not only the issue of this paper, but the enacting of violent laws outraging every sense of right, which attempted, on pain of pronouncing the recreant hostile to the republic, to force a circulation of the paper, which caused such distress and misery.

The true lesson of the issues of those revolutionary times is that of moderation. They simply teach us to avoid enormous issues. The Government had but one method of raising money. Like the famous Sangrado, who knew no weapon against disease but the lancet, and whatever the complaint, fever or rheumatism, colic or cold, his universal panacea was to bleed; and if one letting of blood did not suffice, another was tried, and another, until disease and life left the patient hand in hand. So when these financial doctors found one issue of paper depreciating, they made another and larger, making up the deficit of discount by enlarging the figures, and, Sangrado like, followed the remedy until the body of public credit was destroyed.

These two, then, are the extremes.

The one plan of raising money puts the Government on a plane with the merchant; throws it as helpless as the individual merchant into the market of money-lenders, and takes from them for its bonds just the sum they please to give; in other words, takes the market rate as fixed by them.

The other plan makes the Government assert an omnipotence it does not possess; makes it attempt to create when it only possesses a certain control, under a mistaken idea that, because acting in conjunction with the laws of trade, it possesses powers which may relieve it from being hardly pressed by them, therefore it possesses the power to control the laws of trade themselves.

The truth lies between. The theory of power must be taken in connection with the practices and habits of the people. We must bear in mind that all logic has its practical limitations.

I know there are those who have great and sincere fear of entrance upon this plan of paper circulation. They shrink from it as if they were doing violence to the eternal fitness of things when making anything a legalized currency except silver and gold. There is a feeling that in the normal condition of things silver and gold are the natural regulators of value. But neither history nor reason justifies it. Oxen, in Homer's time, and salt, shells, tobacco, and other articles since, have formed currency; and it is said that now, in the kingdom of Baghumi, in the interior of Africa, negroes form the larger currency and cotton shirts the small change of that enlightened country! Men everywhere act as their intelligent interest and convenience dictate, and I know of no more reasonable course to adopt than to act in view of the circumstances that surround us, irrespective of theories adopted in times of peace, and only adapted to it.

And, practically, I see no difficulty in making a rule for our guidance as to the amount of paper to be issued. We experiment with the sum contained in this bill. We issue this amount on a venture. Let us watch the reception it meets. In making the issue, we measure it with population and wealth and existing currency. We compare it with the action of the past. Viewed in any light, it is moderate and timely. Certainly it is not less than our immediate necessities require. But if, contrary to our expectation, this plan does not work harmoniously with the business of the country, and the issue becomes depreciated, or, what is the same thing, other values appreciate sensibly and inconveniently, then we must refrain from further action in the same line. There are other remedies in our saddle-bags besides bleeding, and we must try them.

If anybody complains that this is indefinite, I reply in all confidence that it is the only rule of action ever adopted by wise men for their guidance in the many instances where they are not directly controlled by moral considerations; or in other words, in the hosts of cases, comprising the great bulk of instances in which legislators are called to act, when there is a choice of measures, simply on the ground of what is most advisable for the time—what is wiser.

More than that, the trade of the country is in an abnormal condition, caused by our own action, and its condition for the future will depend upon the action of the General Government. We have given a new business to all our people. Directly and indirectly they are all engaged in war. At the call of the country, dropping other pursuits, our people have taken up the pursuit of arms. It is their business. Looking

upon it from a European stand-point, we should say that the American people had foregone all the schemes, plans, and speculations for which they have been distinguished for nearly a century, and turned their energies to arms. The necessities of the times called for it, and they have yielded cheerfully their various plans for private advancement, and come to the rescue of the body politic.

And who knows what course this business shall take for the next ninety days? With us here it is matter of guess-work. We are the money partners in this governmental concern, and it is our duty to provide with wisdom for the wants of this war business, and still nobody is allowed to know anything about it; and nothing to my mind more forcibly shows the absolute folly of the doctrines of abnegation preached in this House and elsewhere with regard to the rights and duties of members in relation to the war. If we knew the intention of the executive managers of the war we could form an intelligent idea of the best time in which to attempt to float our bonds, and the character of paper to issue. In other words, we could provide more intelligently for a business that we knew something of than for one of which we are entirely ignorant.

If the plan shadowed forth by the gentleman from Ohio, [Mr. Cox,] who spoke so zealously for the Commanding General, is the one which is really to be adopted, the sooner we supply ourselves with the money we want the better for the Treasury. This "anaconda" scheme, as it is well called in the Richmond papers, simply contemplates inaction for the future. It is to surround, cut off communication with the world, threaten after the Chinese fashion, and wait for the result. And meantime debts that we must pay are overwhelming us like a flood; disease is wasting our noble army, and uneasiness is increasing in every portion of the loyal States; and we have yet to see among the white population of the rebel States a single indication of that loyal devotion to the Union which is so anxiously hoped for. Even the slight fringes upon the coast which have been taken possession of within a few months, upon a recent examination of their condition, are found to need a re-conversion already. The special agent of the Post Office Department could not find loyal men enough in Accomac and Northampton counties to fill the post offices vacated by resigning secessionists; and at Hatteras the intelligent men of that sandy locality have been busy conveying information of Burnside's expédition to the enemies on the mainland.

But, sir, I do not believe that to be the intention of the leader of our armies. I prefer the declaration of the Secretary of War, upon whom the country now leans with entire confidence, trustingly believing that his clear head and strong will shall prove sufficient to discharge the great trusts he has assumed with the general consent, in this time of great distress. I listen with satisfaction to his clear ringing words of commendation to our gallant troops at Mill Spring, and believe to the full his declaration to the army, that—

"The purpose of this war is to pursue and destroy a rebellious enemy, and to deliver the country from danger incurred by traitors. Alacrity, daring, courageous spirit, and patriotic zeal, on all occasions and under all circumstances are expected from the army of the United States."

I believe these inspiring words. He has struck the key-note. The army will respond with enthusiasm, and victories, which are the best financiers in these days of gloom, shall be the happy result.

Upon the clause in this bill providing that the notes shall be a legal tender there has been much discussion here and elsewhere. Its importance to the success of the measure cannot be over-estimated. I regard it as the life of the plan. Strike it out, and we are but duplicating an issue of notes already at a discount. It is really the specie clause, and no hard-money man—and I claim to be one—should vote for the issue of these notes without it. Objections have been made that it is unconstitutional; and a word upon that point.

In my judgment, any measure of finance now assumes the highest character. The existence of the Government depends upon a successful administration of the finances. Crippled here, we are balked everywhere. Upon the consideration of every financial measure there might well present itself anew the same question so fitly put by President Lincoln, in his message to Congress in July: "Is it better to assume powers, the exercise of which shall violate a portion of the Constitution, rather than allow the whole to be destroyed?" and the country came to the paradoxical conclusion that it was his duty, as President, to violate the Constitution in order to preserve it.

I trust that I have as much respect for that instrument as any man in the House; and it is because I would not have its authority over any portion of the Union impaired that I am bold in the exercise of power under it. But I would construe it in

the light of the rule authoritatively announced for our action: "The Sabbath was made for man, and not man for the Sabbath."

It is well known that Mr. Clay rested his support of the second bank upon a clause granting Congress "the power to make all laws which shall be necessary and proper for carrying into effect the powers" expressly granted by the eighth section of the first article. The great patriot of the West, in time of profound peace, was disposed to consider the financial question of such magnitude as to place a law, calling into being a fiscal agent, among those which were "necessary and proper." With how much more force can we, situated as it were amid the dying agonies of the Republic of our fathers, and acting, as many wise men believe, as the last Congress which, under the Constitution, shall represent the whole country, claim that all power which, under any circumstances, could be exercised by the Representatives of the people, should be used now?

The gentleman from Kentucky [Mr. MENZIES] was wrong in supposing the action of Davis and his confederates had given us no new power. It gives us the same power that the action of an incendiary who fires my house bestows upon the fire department, who may enter and use what they will for extinguishing the flames, and even destroy adjacent buildings if necessary to prevent their spreading and the destruction of valuable property; actions, which had otherwise been trespass, become legal, and in the highest degree praiseworthy.

I have a high respect for the motives of gentlemen who discover so many constitutional objections to contemplated action; but for myself, I have concluded that whatever has a tendency to furnish means to suppress this rebellion, and affords a reasonable probability of hastening the consummation of what all loyal men so much desire, is perfectly constitutional. Nothing but an absolute prohibition would prevent me from adopting a measure which answers these conditions. I will never render to my people as a reason why I voted against such a measure that I deemed it unconstitutional, nor will I assist this Congress in proclaiming to the world and sending down to posterity the lack of constitutional power as a reason for failing to enact any law which will have a tendency to preserve this Union. This is no time for the exercise of thin constitutional pedantry. Let us act boldly and forcibly, and so discharge the high and solemn duty imposed upon us infinitely better than if we shrank from action under fear of constitutional scruples.

Nor need we fear that what we do will be used as a dangerous precedent, for the circumstances which form our justification must be duplicated before our action can be taken as an example for others.

The objection which is supposed to be fatal to the constitutionality of this measure is, that it impairs the obligation of contracts. But granting that the prohibition in the Constitution—of State action with reference to contracts—extends to Congress, still the objection has no validity. The legal effect of all contract language is to pay the sums specified therein in *legal currency*. The gentleman from Ohio [Mr. PENDLETON] is mistaken in construing it to mean gold and silver only. Congress may coin money out of gold, or silver, or copper, or either alone, and fix the value; and the gentleman may as well say that a contract to pay \$100 is a contract to pay a quantity of gold between five and six ounces, because such weight of gold, according to the present law, represents \$100, and that it would be impaired if we passed an act establishing the value of gold coin at ten dollars to the ounce, as to say that it means gold and silver, and will be impaired if we substitute paper. Congress has frequently exercised the power to change the comparative value of gold and silver. The gentleman from Vermont yesterday told us how many times it had been done. We all know that our old gold coins are worth more than those of later years; and the Spanish dollar, formerly so common among us, was driven out of circulation by the lighter Mexican, and that in its turn by the American half dollar, which contains less silver than either. The exercise of this power would have the same effect upon the discharge of contracts that a debased paper currency would have, and yet it is of conceded constitutionality.

The opinions of the distinguished statesmen who have been quoted are of great value in ordinary times. It is well known that the opinions of Mr. Webster changed very greatly at different portions of his life with regard to trade and currency. Had he adhered to his earlier convictions, it is quite probable he would have reached the object of his ambition; and were he acting with us now, I have no idea that he would hedge in the powers of Government. His construction of the Constitution was a liberal one, and would readily adapt it to the necessities of the occasion.

As to the expediency of making these notes a legal tender, I have no doubt. Those

who favor the issue of the notes and oppose this clause, present this anomalous position: they favor the issue of the notes for \$100,000,000 for the purpose of paying creditors to whom that sum is due. They say to our Treasurer, "You will take these notes and pay Government debts with them at par." A Government creditor will be obliged to take these notes or wait, without interest, until that happy period in the future when the Government shall resume the payment of specie in the discharge of its indebtedness. Nobody proposes that the market value of them shall be ascertained from day to day, and scaled down, as the Russian Government did with their paper rubles, and payments made according to value thus ascertained.

Thus, then, the Government will pay its creditor \$1,000 in bills in full discharge of a debt of \$1,000, and still it will not authorize that creditor to pay a debt he owes John Doe, for the same sum, with the same money! In this way it is tacitly acknowledged that the indebtedness of the Government, which represents all property, is not so valuable as that of the private citizen, who represents but a small fraction of that property. If this be not the meanest kind of bankruptcy, I do not know the meaning of the term.

It is said we are in debt largely. The enormous sum of \$100,000,000 is estimated as the amount of floating debt. We are incurring large debts every day, and the army and navy are our great creditors. More than three-quarters of the immense daily expenditure is made for the army and navy. We have called these six or seven thousand soldiers and sailors from their homes into active service, and now we cannot pay them. What shall we do as honest men? Shall we issue to them an additional quantity of Treasury notes, when it is said here upon the floor of the House that the sutler followed the paymaster at the last pay-day, like a shark in the wake of a ship, and gobbled up batches at four dollars in gold for five dollars in notes? Would a new issue of the same kind of paper fare any better? Some of the leading banks of the country have already discredited the old issue. Will they be any more liberal with the new? Shall we place ourselves entirely in their power?

If we cannot pay our creditors in gold and silver, let us come as near it as possible. It is not doubted by anybody that making the notes a legal tender will add to their value in the hands of Government creditors. It is a kind of indorsement that cannot possibly injure the circulation of the note in any event, even if declared by the courts as of no validity, and will, for a time at least, add considerably to their money value. If not exchangeable for specie, they will come nearer to being of the same value.

And further: I wish gentlemen to consider the practical operation of this measure when castigated of this clause. You authorize your Secretary to sell \$500,000,000 of bonds. He does it, and realizes perhaps \$400,000,000. This amount he gets in bank paper, itself at a discount, larger or smaller, compared with specie. If he makes a favorable bargain, he will obtain part of the amount in specie, and part in bank bills. He has then in hand three kinds of money—specie, bank bills, and Treasury notes. The value of these notes, according to the reckonings of gentlemen opposed to the bill, is to be measured by the price of the bonds into which they are convertible. If the bonds are sold at twenty per cent. discount, these notes should go at that discount.

Thus the Secretary will have specie, bank notes at three or five per cent. discount, and Treasury notes at twenty per cent. discount. These are his means of paying the public creditor. How shall he marshal his assets and his creditors? Is he to open accounts, like a broker in uncurrent money, and place the bills of the Government at the foot of the list of his assets? And what direction shall he give to his subordinates about the payment of bills? Will he classify daily, and say that to Peter Funk for a ship shall be paid \$100,000 in Treasury notes, and to Billy Cheatem for blind horses \$10,000 in specie? Or will he reverse the proposition?

It may be that he will pay a part in each; but upon what principle of division? Will he divide in thirds, and pay one-third each? Or will he reckon the amount of each kind of currency he has on hand, and pay in proportion to what he has? So that one day a Government creditor would receive a large sum in specie and little in Treasury notes, and on another many notes and little specie. Creditors could exercise their wits in finding out the exact state of Mr. Chase's funds before presenting their drafts. The rich could hold on for the Government pond to fill up with specie, and let the needy take the Treasury bills, because they could not wait for the movements of the yellow flood. It would afford new and abundant occupation for the spare time of the head of the Treasury to give audience to claimants, and listen to the reasons they shall offer for a high place to be given to their demands upon the assets of the Department.

I fear our worthy Secretary would adopt no such methods. He would attempt, no doubt, to mete out exact justice to all; but, amid the crowd of subordinates, who do you think would receive the good currency and who the bad? Does any one doubt where the soldier and the sailor would turn up in this list of debtors? Contractors can take care of themselves. The men who make sharp bargains in the sale and hire of ships can look out for their own interests. They would stipulate specially that their pay should be in specie or bank notes; and, in accordance with special bargains, the best currency would go to them. The soldier and sailor is at your mercy. He cannot resign, for it is desertion. He cannot complain, for it is mutiny. He cannot refuse to serve, because it is insubordination. He must work on, and take such pay as the Government chooses to give him. The debased notes shall be reserved for his special benefit, and he may sell them to the sutler for as much as he can get for them.

Such would be the every-day operation of this bill when stripped of the clause which makes all moneys obtained by it alike for the practical purposes of life.

Whether or not this issue is large enough to inflate the currency is an open question. The most intelligent men of our great money centres think it will not. Mr. Opdyke, in his clear and forcible letter on the subject, makes a reckoning of currency at twenty dollars to the inhabitant as a safe rule, and says that the issue of this amount will not exceed the limit. The banks have necessarily curtailed their operations with the lessening in mercantile transactions, and their bills have been partially withdrawn. Specie currency. Let us send them out under the highest sanctions, and they will carry the currency safely through this period of darkness.

If we will furnish a currency to the people, let it be as good as we can make it. Let us not follow the mischievous example of European monarchs, and debase it at the start. The readers of Dean Swift know very well the result of such an attempt, even upon the copper coin of a small island. Let us grow wiser while reading their histories. When we cannot issue a currency of the highest kind, let us refrain altogether from the attempt. Let it be good, or none of it be sent out by our sanction.

The bill purports to be for a temporary purpose only. The next sixty days are to be the opportunity for the nation to reassert itself. In them, past blunders can be remedied, and the memory of inefficiency be lost in the brilliancy of triumph. I have all faith in the war when it shall move to the tones of our new Secretary. It has already done much to enlighten our people as to the destiny of the Republic. Civilians in high station and officers of leading rank have been converted by it to sound doctrines of political action. It is the measure of our civilization and Christianity. In its grand march in the future it shall carry with it, like a torrent, the sophists and heresies of vicious political organizations, and, presently, clearing itself of all entanglements, it will make plain to the world that this is a contest of ideas. It will try aspirants for leadership, and when one fails another shall supply his place, until, in God's own time, the appointed Joshua shall be found who shall lead us into the promised land of peace and liberty.

Our duty to-day is to tax and fight. Twin brothers of great power; to them in good time shall be added a third; and whether he shall be of executive parentage, or generated in Congress, or spring, like Minerva, full-grown from the head of our army, care not. Come he will, and his name shall be Emancipation. And these three—Tax, Fight, and Emancipate—shall be the Trinity of our salvation. In this sign we shall conquer.

WASHINGTON, D. C.

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